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Senate passes bill to provide tax relief to low-income families and stimulate the economy

LANSING— Sen. Bill Hardiman joined his colleagues today in supporting legislation that would provide a state tax credit to low-income families to offer them tax relief while stimulating the economy.

Senate Bill 453 creates the Earned Income Tax Credit, a state tax credit equal to 20 percent of the federal EITC. It would be available for tax years beginning after Dec. 31, 2007 and would start at 10 percent in 2008 and increase to 20 percent in 2009.

“The EITC is an important tool in lifting people from poverty to self-sufficiency. It puts money in the pockets of people entering the work force, or struggling to stay off public assistance,” said Hardiman, R-Kentwood.

The EITC is a tax cut for low-income families who will help boost the state economy by using their refund to buy goods and services they’ve been struggling to afford. In addition, workers who must find new, lower-paying jobs because of Michigan’s poor economy will be able to use the tax credit in easing their transition to a lower pay scale.

“Today we cut taxes for the working poor, stimulated Michigan’s economy, preserved thousands of jobs, created job opportunities for Michigan’s youth and increased funding for college scholarships,” said Senate Majority Leader Ken Sikkema, R-Wyoming.

“Earlier this summer, I said that in return for fixing the overtime legislation, I was willing to do things that are good for Michigan’s future. Every one of these bills accomplishes that goal.”

The legislation now moves to the House for consideration.

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